



STATE OF ARKANSAS
**Department of Finance
and Administration**
<http://www.state.ar.us/dfa>

SALES & USE TAX SECTION
P. O. BOX 8054
LITTLE ROCK, AR 72203-8054
PHONE (501) 683-5560
FAX (501) 537-5780
sales.tax@rev.state.ar.us

NEWS RELEASE

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PURCHASES WITH FEMA ASSISTANCE CARDS EXEMPT FROM SALES TAX

For Immediate Release

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As an agency of the United States government, the Department of Homeland Security's Federal Emergency Management Agency (FEMA) is exempt from the payment of state and local sales tax on purchases in Arkansas. The Arkansas Department of Finance and Administration confirms the tax exempt status of purchases made with FEMA assistance cards issued to Hurricane Katrina victims and evacuees.

Arkansas retailers should keep adequate records to substantiate the exempt status of their sale to FEMA on behalf of the individual who presents the assistance card. Retailers accepting FEMA assistance cards in combination with cash or personal credit or debit cards for a purchase should collect sales tax on the amount of the purchase that was paid for with personal funds but not on the amount paid for with the FEMA assistance card.

Anyone with questions concerning this matter should contact Tom Atchley, Excise Tax Administrator at (501) 682-7200.